

To: All Indiana Hospitals

Fr: Family and Social Services Administration and the Indiana Hospital and Health Association

Date: June 18, 2007

"Important Notice Regarding Changes to the Hospital Care for the Indigent Program

Pursuant to Public Law 218-2007 (HEA 1678), a hospital's HCI payment for state fiscal years 2008 and beyond will be an amount equal to the HCI payment determined for the hospital for the state fiscal year ending June 30, 2007. Hospitals will therefore not be required (or permitted) to submit applications for HCI eligibility, or submit HCI claims, for service dates after June 30, 2007. These changes do not apply to ambulance or physician providers.

Currently, HCI payments to hospitals are determined based on payable claims submitted by the end of the state fiscal year (June 30). In order to allow hospitals time to file applications and claims for hospital service dates through June 30, 2007, the State will accept such applications and claims that are postmarked or hand delivered to the local office of the Division of Family Resources or:

FSSA
HCI – MS #34
P.O. Box 7128
402 West Washington Street, Room E442
Indianapolis, IN 46207-7128

on or before July 13, 2007. All applications will need to include the UB claim. Hospitals must exercise appropriate oversight to help ensure that applications and claims are submitted only for services that are legitimately covered by the HCI program.

In addition, pending appeals for financial and/or medical eligibility denials will now be rescinded and approved. These payments will be included in the hospital's HCI payment for the state fiscal year ending June 30, 2007 (consequently, the payments will also be included in future years' HCI payments). If a hospital currently has claims on file for these appeals, they will be priced. If a hospital has appeals on file, but has not filed claims, it must file the claims, in the same manner as described above, on or before July 13, 2007. All such claims must be accompanied by the applicable certificate of action (denial or approval) received by the hospital.

For hospitals with other pending appeals (an example would include an appeal related to a payment notice), these appeals will continue through the normal appeals process. If such appeals are eventually settled or decided in favor of the hospital, the amount of the claim will be included in the hospital's subsequent HCI payments. For example, if an appeal is favorably settled or decided in January 2009, it will be included in all subsequent HCI payments to the hospital, but there will be no retroactive adjustment to supplement HCI payments previously made to the hospital. Also, any unanticipated

appeals - such as an appeal related to a 2007 HCI payment to be made in December of 2007 - would be appealed through the normal appeals process.

In regards to any new denials of eligibility or claims received before July 1, 2007, notices of appeal must be filed, in the same manner described above, on or before July 13, 2007. All such notices of appeal must include the applicable UB claim. Depending on the subject matter of the appeal (i.e., denial of eligibility or denial related to a payment notice), these appeals will be addressed as described above. Again, hospitals must exercise appropriate oversight to help ensure that appeals are pursued only for services that are legitimately covered by the HCI program.

This notice will also be posted to the Medicaid website."